

STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE DEPARTMENT OF COMMERCE

In the Matter of the Application for a  
Route Permit for the Fenton-Nobles #2  
115 kV High Voltage Transmission Line

**SUMMARY OF TESTIMONY  
AT PUBLIC HEARINGS**

Pursuant to Minn. R. 7848.2000, Subpart 11, Administrative Law Judge Eric L. Lipman conducted a public hearing on the evening of April 1, 2008 at the Wilmont Community Center, 1316 4<sup>th</sup> Avenue, Wilmont, Minnesota. The public hearing was held to elicit public comment regarding the proposed routing of a 115 kV transmission line.

**BACKGROUND ON THE APPLICATION**

Northern States Power Company, doing business as Xcel Energy ("Xcel" or "the Applicant"), proposes to construct a 22.7-mile single-circuit 115 kV transmission line in south western Minnesota to interconnect the Fenton substation with the Nobles County substation. Presently, Xcel operates both a 161 kV and a 69 kV line in the area.<sup>1</sup>

By way of an earlier Order, issued on September 14, 2007, the Public Utilities Commission granted the Applicant a Certificate of Need for the proposed transmission line.<sup>2</sup> In that Order, the Commission concluded that the project would increase the reliability of the energy supply in Marshall, Minnesota, improve the area transmission line system and facilitate compliance with Regional Energy Standards.<sup>3</sup>

A key issue for landowners and others along the proposed route is whether the prices offered by the Applicant for the transmission line easements accurately reflect market values for the rights that are obtained. Many of those testifying at the public hearing asserted that the purchase prices now being offered did not reflect the current land values or the value of future wind and development rights.

The Commission will issue any Orders on the Application for the Routing Permit following a review of this Summary, the hearing transcripts, written comments submitted

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<sup>1</sup> See, Exhibit 2, Appendix B, at 1–4.

<sup>2</sup> See *generally*, Ex. 2, Appendix A (PUC Docket No. E-002/CN-006-154).

<sup>3</sup> *Id.*, at 8-9.

by the public, and all filings and arguments submitted by the Applicant, the Minnesota Department of Commerce and other persons and entities interested in this matter.

### **SUMMARY OF TESTIMONY AT THE PUBLIC HEARING**

Twenty-four members of the public were in attendance at the hearing and signed the hearing roster.<sup>4</sup> Six of those who registered on the hearing roster offered testimony during the hearings.

At the outset of the hearing the Administrative Law Judge made introductory remarks, followed by short presentations from Michael Kaluzniak of the Commission's staff and Adam Sokolski, a Program Manager with the Energy Permitting Unit of the Department of Commerce, followed by a presentation from Xcel. After the conclusion of these presentations, members of the public asked questions of the presenters and shared their reactions to the material presented.

*Remarks by Mr. Tim Henning:* Mr. Henning, a local representative of the Farmers Union, acknowledged that the proposed transmission lines are necessary but expressed concerns over the proposed routing, the placement of utility poles, the Applicant's earlier springtime construction practices and the compensation offered to affected landowners. Mr. Henning asserted that the proposed routing of the transmission line through farm land was not acceptable to the Minnesota Farmers Union, as the placement of utility poles, and maintenance associated with the transmission lines, disrupt adjacent farming operations. He favored a system under which landowners had a greater role in the placement of utility poles. Additionally, Mr. Henning noted that the installation of a predecessor line, by a construction contractor with very poor springtime construction methods, was not done well. In Mr. Henning's view, the result of the contractor's substandard approaches were over-compaction of soil and adverse impacts to area farm properties. Mr. Henning likewise questioned the amount of compensation that was being offered to landowners – stating that the settlement figures from the Applicant understated both the current value and impact to farming operations. Lastly, Mr. Henning urged Xcel to designate a local ombudsman so that area landowners could easily reach key personnel should project-related issues later arise.<sup>5</sup>

*Remarks by Mr. Jim Joens:* Mr. Joens, a landowner along the proposed route, made two key points during his testimony. First, he noted that the presence of a transmission line within a one-half mile radius is a disqualifying factor among some companies that develop and place wind turbines. Mr. Joens noted that notwithstanding his willingness to host a wind turbine on his property, his overtures were rejected because of the presence of the existing transmission line. Additionally, Mr. Joens

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<sup>4</sup> Compare, Hearing Roster with Hearing Transcript, at 3.

<sup>5</sup> See, Tr. at 29-34; Mr. Henning also had written remarks entered into the record and those comments appear as Exhibit 22.

detailed poor construction and remediation practices of the construction contractor on a predecessor line. He urged much better coordination among landowners, the construction company and the Applicant during any follow-on construction.<sup>6</sup>

*Remarks by Mr. Jim Kluis:* Mr. Kluis, a landowner along the proposed route, urged that the transmission line be routed along State Highway 91 so as to avoid traveling near existing homesteads.<sup>7</sup>

*Remarks by Mr. Heath Kooiman:* Mr. Kooiman, a landowner along the proposed route, expressed concern that notwithstanding the lack of a formalized setback rule in state law, as a practical matter, the placement of a transmission line negatively impacts a landowner's ability to utilize wind rights. Mr. Kooiman testified that routing of a transmission line across land restricts both the positions that wind turbines may be placed on adjacent parcels and the number of turbines that may be erected.<sup>8</sup>

*Remarks by Mr. Greg Ponto:* Mr. Ponto, a landowner along the proposed route, testified as to three key concerns. Mr. Ponto asserted that the crop damage estimates used by the Applicant during the routing of a predecessor transmission line understated – by more than 80 percent – the amount of crop damage that occurred during installation, and that, without justification, the Applicant continues to employ these same understated estimates for this project. Likewise, so as to minimize the impacts along the transmission line route, Mr. Ponto urged that the entire route be hosted by a fewer number of the taller, 140 foot – 345 kV line utility poles.<sup>9</sup> Lastly, Mr. Ponto argued that the proposed valuation of impacts on land along the route is understated and that the price per acre offered by the Applicant is lower than market rates.<sup>10</sup>

*Remarks by Mr. Vern Suedkamp:* Mr. Sudkamp inquired as to whether local distribution lines would be placed underground, or hosted on the 115 kV utility poles below the transmission line, following completion of the project.<sup>11</sup>

### **SUMMARY OF WRITTEN COMMENTS**

The Administrative Law Judge received four written comments prior to close of the post-hearing comment period on April 11, 2008 – two of which were received as Exhibits 22 and 23 during the public hearing.

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<sup>6</sup> See, Tr. 47-50.

<sup>7</sup> *Id.*, at 41.

<sup>8</sup> *Id.*, at 41-43, and 46.

<sup>9</sup> Compare generally, Exhibit 12, Figures 2–5.

<sup>10</sup> Tr. at. 50-57; Mr. Ponto also had written remarks entered into the record and those comments appear as Exhibit 23.

<sup>11</sup> See, Tr. 57-60.

*Comments of Wayne Kooiman, Adrian Kooiman and Heath Kooiman:* Messrs. Kooiman made three key points in their written comments. They expressed the view that placement of a transmission line has negatively impacted the later development of wind rights by land owners; the placement of the line across their fields (as opposed to the road right-of-way) will make both later maintenance of the line and adjacent farming operations more difficult; and that placement of the line along the west side of Highway 91 would avoid both existing homes and farming operations.

*Comments of Elmore Michael ("Mike") Eagen:* Mr. Eagen, a landowner along the proposed route, wrote to signal his agreement with the claims that the compensation being offered in return for transmission line easements was inadequate. Mr. Eagen regarded both the valuation of land and the compensation offered for the taking of mature trees in the easement area to be inadequate. Mr. Eagen urged that a better and more equitable solution would be to compensate the landowner by way of both an initial sum and a series of periodic payments over the life of the transmission line.

Dated: April 15, 2008

/s/ Eric L. Lipman  
ERIC L. LIPMAN  
Administrative Law Judge

Reported: Shaddix and Associates, Jolene Carrow, Court Reporter  
Transcripts Prepared: One Volume